



The Commonwealth of Massachusetts

Office of Campaign & Political Finance

One Ashburton Place, Boston 02108

727-8352

Dennis J. Duffin
Director

AO-1983-09

July 1, 1983

Mr. William A. Daggett
Bank of New England
28 State Street
Boston, MA 02109

Dear Mr. Daggett:

You have inquired as to whether it is permissible under M.G.L. c. 55, the campaign finance law, for an individual to make a contribution in the form of common stock or bonds to the Committee to Elect Scott Harshbarger. Subject to the restrictions set forth below, it is my opinion that such a contribution is permitted under M.G.L. c. 55.

M.G.L. c. 55 Section 1, defines a contribution in part as "a contribution of money or anything of value." The Uniform Commercial Code found in M.G.L. c 106 §1-201, defines money as "a medium of exchange authorized or adopted by a domestic or foreign government as a part of its currency."

It is improbable, given this definition, that a certificate for stock could be considered "money." Rather, if it is to be permissible as a contribution under the Massachusetts Campaign Finance Law, it must be because it is "anything of value." While the precise worth of a stock certificate is difficult to ascertain at a given time, it is nevertheless something of value, and is therefore permitted as a contribution under c. 55.

Upon acceptance of a contribution by a political committee, the contribution then becomes a part of the funds of the political committee. Section 6 regulates the manner in which a political committee may hold its funds in stating "Such committee may place such funds in a savings account or money market to earn interest thereon but may not invest its funds or other things of value in any other manner." [emphasis supplied] The holding of a stock certificate by a political committee renders no benefit to a political committee other than as an investment. Since the intent of Section 6 is clearly to limit the ways in which a political committee may invest its funds, c. 55 would not permit a committee to hold such an investment certificate.

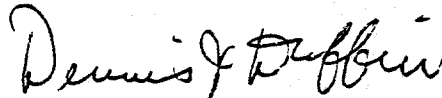
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Rather, a political committee must liquidate a stock certificate within five business days of its receipt as a contribution to avoid the above--cited prohibition of Section 6.

The value of the contribution must be determined at the time of the redemption of the stock certificate. C. 55, Section 7 limits contributions by individuals to political committees to no greater than \$1,000 in a calendar year. If the redemption, or any later-paid dividend, of the stock certificate, results in a return greater than the amount permitted to be given by that individual for that year, the excess must be returned to the individual.

Finally, the Massachusetts Campaign Finance Law prohibits direct or indirect corporate contributions to political committees organized on behalf of candidates. Therefore, any stock so given must clearly be that owned by an individual. It may not be stock issued from the corporate treasury, or stock directed to be given by the Board of Directors of the Corporation. In addition, Section 8 would prohibit the giving of such stock by any trustee or trustees owning or holding the majority of the stock of certain types of corporations specified in that section.

Very truly yours,



Dennis J. Duffin
Director

DJD/mam